

# MEET ALICE®

**ASSET LIMITED, INCOME CONSTRAINED, EMPLOYED**



## 2018 ALICE REPORT EXECUTIVE SUMMARY



Learn more about ALICE at <http://alice.ctunitedway.org>

Connecticut United Ways are committed to standing with households that, despite working hard, live paycheck to paycheck and are unable to afford life's most basic necessities such as housing, food, child care, transportation, technology and healthcare.

This demographic is called ALICE, an acronym for **Asset Limited, Income Constrained, Employed** and represents the 30 percent of Connecticut households that have earnings above the Federal Poverty Level but below a basic cost-of-living.

The updated 2018 Connecticut United Ways ALICE Report documents the challenges facing ALICE families throughout our state and identifies trends that affect ALICE's ability to achieve financial security.

With the release of our third ALICE report, Connecticut United Ways continue to call attention to ALICE households by identifying barriers preventing ALICE from making ends meet and executing solutions that can lead to financial security for ALICE. **Combined, ALICE and Poverty households make up 40% of all households in Connecticut.**

### CONNECTICUT UNITED WAYS STAND WITH ALICE

Connecticut United Ways remain committed to supporting ALICE and fighting for the health, education and financial security of all Connecticut residents. We invest in child care, early learning, basic needs, diverse housing options, job training, asset development and financial education. We advocate for good jobs, fair wages, access to good schools, affordable housing, and quality child care that families can afford.

## MEET ALICE.

“ I am your friend.

I am your neighbor.

I have a job, maybe even two.

Yet my family and I still struggle to make ends meet. ”



*Combined, ALICE and poverty households comprise 40% of all households in the state.*

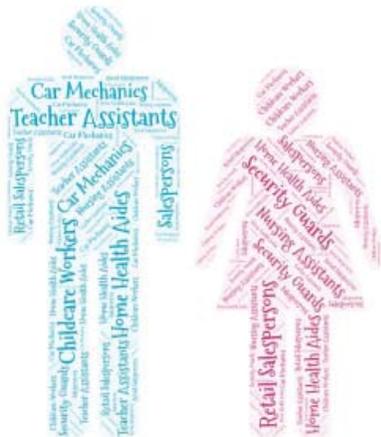
**Connecticut  
United Ways**



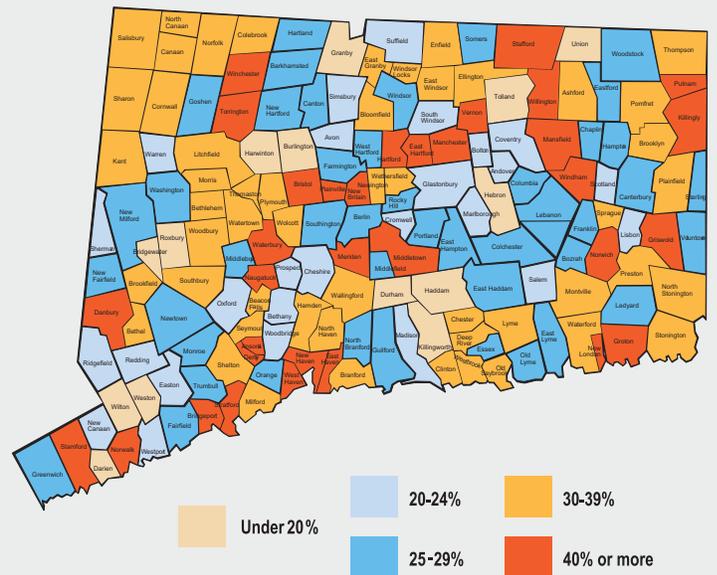
## WE ALL KNOW ALICE

ALICE is our friend, neighbor, coworker and family member. ALICE cares for our children and aging parents, fixes our cars and works in our local grocery stores, retail stores, and restaurants. ALICE lives in every town and city in Connecticut. In fact, in Connecticut more than 400,000 households are ALICE households with income above the Federal Poverty Level but below the state's basic cost-of-living threshold as defined in the 2018 ALICE Report.

ALICE workers are retail salespersons, nursing assistants, childcare workers, home health aides, car mechanics, security guards, teacher assistants—workers essential to every community's success. We lean on ALICE for support; yet, many ALICE households are one emergency away from a financial crisis impacting their ability to feed their family, heat their home, maintain their housing, and ensure their medical care.



### PERCENTAGE OF HOUSEHOLDS BELOW THE ALICE THRESHOLD BY TOWN, 2016



**In 138 of Connecticut's 169 towns and cities, at least 1 in 5 households are ALICE households.**

## TRENDS IMPACTING ALICE HOUSEHOLDS

The 2018 ALICE Report digs deeper into trends that affect ALICE in the workplace and impacts ALICE's ability to save, to build assets and achieve financial security.

### 1 While Connecticut still has one of the highest per capita incomes, the fastest growing jobs have lower pay.

- Only one of the top 20 occupations in Connecticut (in terms of number of jobs) pays enough to support the ALICE Household Survival Budget.

### 2 The increase in on-demand or project-to-project jobs has given rise to the "gig economy".

- The "gig economy" presents new employment possibilities; however, these positions often have limited job security, few or no benefits, fluctuating hours and unreliable wages.

### 3 Shifting to a contingent workforce puts more financial risk on workers.

- It is difficult for ALICE households to pay bills regularly, make short-term family plans (e.g., child care), or make long-term financial plans, such as qualifying for a mortgage when inconsistent work schedules result in unexpected gains or losses in work hours and income volatility.

### 4 Asset limited is a defining characteristic of ALICE.

- More than 46% of Connecticut households do not have enough money saved to cover expenses for three months in the case of an emergency such as an illness or the loss of a job.
- This vulnerability means that a medical emergency or unexpected change in income can send an ALICE Household spiraling into poverty.

## WHY SO MANY WORKING FAMILIES IN CONNECTICUT STRUGGLE FINANCIALLY

### WHAT CONNECTICUT WORKERS EARN

Connecticut wages are amongst the highest in the country with 55% of jobs paying \$20 or more. However, wages have not kept pace with the cost of living and many Connecticut workers earn less than what is needed to get by.

### CONNECTICUT'S COST OF LIVING

The cost of living continues to increase faster than many workers' wages, leaving ALICE households with many tough financial choices.

A single adult requires a full-time job earning \$12.34 per hour and a family of four needs full-time work with an hourly wage of \$38.92 to afford just the basics in Connecticut.

### WHAT IS THE HOUSEHOLD SURVIVAL BUDGET?

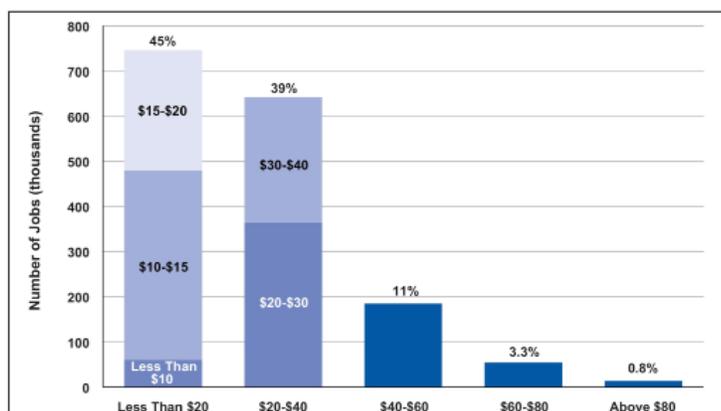
The Household Survival Budget reflects the minimum cost option for six basic necessities – Housing, Child Care, Food, Transportation, Technology (the cost of a smartphone) and Health Care. This barebones monthly budget covers the essentials plus taxes and a 10% miscellaneous contingency. It is a conservative estimate of the monthly costs to get by, and does not account for savings or emergency expenses.

The updated Household Survival Budget increased to \$77,832 for a family of four in Connecticut.

Household Survival Budget in Connecticut		
Monthly Expenses	Single Adult	Family of Four*
Housing	\$803	\$1,231
Child Care	\$0	\$1,691
Food	\$182	\$603
Transportation	\$308	\$613
Health Care	\$213	\$792
Technology	\$55	\$75
Miscellaneous	\$187	\$590
Taxes	\$308	\$891
Monthly Total	\$2,056	\$6,486
<b>Annual Total</b>	<b>\$24,672</b>	<b>\$77,832</b>
<b>Hourly Wage</b>	<b>\$12.34</b>	<b>\$38.92</b>

\*A family of four is two adults, one toddler and one infant.

### NUMBER OF JOBS BY HOURLY WAGE, CONNECTICUT, 2016



Source: Bureau of Labor Statistics, Occupational Employment Statistics Wage Survey — All Industries Combined, 2016

- 45% of jobs pay less than \$20 per hour with two-thirds of those paying less than \$15/hr.
- 39% of jobs pay between \$20/hr and \$40/hr.
- 11% of jobs pay between \$40/hr and \$60/hr.

### WHAT CHOICES WOULD YOU MAKE?

ALICE makes tough choices every day. Put yourself in the shoes of a typical ALICE household. Follow this link: [www.makingtoughchoices.org](http://www.makingtoughchoices.org) to experience the tough choices that ALICE households face daily.

Making Tough Choices: Can you walk in ALICE's shoes?



**45%** Child care and housing account for 45% of most ALICE families' household budget.

# HOW CONNECTICUT UNITED WAYS ARE HELPING ALICE AND STRENGTHENING OUR COMMUNITIES

The ALICE Report recommends both short-term and long-term strategies to help ALICE families and strengthen our communities. Connecticut's United Ways work with our community partners and continue to invest in programs and services that will enable ALICE households to achieve a more secure financial future.

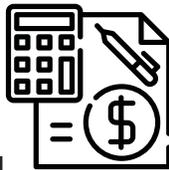
## INVESTING IN PROGRAMS AND SERVICES

Connecticut United Ways invest in housing and homeless prevention, child care and early learning, job training and workforce development and basic needs services so that ALICE families can succeed. Last year, Connecticut United Ways invested more than 40 million dollars in programs serving those in need.



## PROMOTING FINANCIAL SECURITY

United Ways support free tax preparation at VITA sites where eligible families can secure valuable tax credits such as the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC). United Ways also support financial education and budget coaching opportunities and digital savings incentive programs that reward good savings habits, helping ALICE build assets and savings.



## MOBILIZING COMMUNITY PARTNERS

United Ways engage with businesses, government agencies, other nonprofits, the faith-based community, civic leaders and anyone who wants to work toward individual and community wide solutions that lead to more financial security for ALICE households.



## CONNECTING CONNECTICUT RESIDENTS TO SERVICES

United Way 2-1-1 is Connecticut's 24/7 access to a range of health and human services. Last year (FY18), 2-1-1 responded to 323,544 service requests from Connecticut residents. Housing & shelter, mental health services and employment & income were 2-1-1 CT's top three requests for service.



## WILL YOU STAND WITH ALICE?

### GIVE.

Connecticut United Ways fight for the health education and financial security of every person in every community. Donating to your local United Way helps support programs that strengthen your community.

### ADVOCATE.

United Way advocates for long-term policy solutions that can lead to more financial security for ALICE. During tough economic times in our state, United Ways have worked to protect supports for ALICE families. Download the [2018 Connecticut United Ways Policy Agenda](#).

### VOLUNTEER.

Connecticut United Ways engage thousands of volunteers in their communities bringing people together to help ALICE families file taxes and secure tax refunds, improve grade level reading and financial literacy, reduce homelessness and hunger, and advocate for quality, affordable child care. Visit [ctunitedway.org/ctuways](http://ctunitedway.org/ctuways) to locate the United Way in your community.

## ABOUT CONNECTICUT UNITED WAYS

*Connecticut United Ways advance the common good by creating opportunities for all, with a particular focus on education, income/financial security, health, and basic needs – the building blocks for a good quality of life. We engage people and organizations throughout our communities who bring passion, expertise, and resources needed to get things done, and we invite everyone to be part of the change.*